

Exhibit A

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

IRA BROUS and MICHELLE
SCHUSTER, on behalf of themselves and all
others similarly situated,

Plaintiffs,

v.

ELIGO ENERGY, LLC and ELIGO
ENERGY NY, LLC,

Defendants.

Civil Case No.: 24-cv-01260 (ER)

**DECLARATION OF
ELIZABETH STONE**

I, Elizabeth Stone, declare under penalty of perjury as follows:

1. I worked as the Director of Operations at Eligo Energy from 2018 through early 2020.
2. I oversaw customer service, billing, and coordination with utilities. I worked out of Eligo's headquarters in Chicago, Illinois, and my work covered all markets where Eligo sold energy supply. I reported directly to Eligo's CEO, Ken Pedotto.
3. In my role as Director of Operations I attended regular business review meetings where Eligo's leadership developed business strategy, including strategy regarding variable rates, customer acquisition, and how Eligo managed existing customers.
4. These business review meetings were attended by Mark Friedgan, an Eligo founder, CEO Ken Pedotto, and the heads of legal (Alexander Rozenblat), IT (Michael Sandler), and operations (myself).
5. These meetings and my other work at the company showed me that Eligo's top level management (Friedgan, Pedotto, Rozenblat, and Sandler) drove the strategy for

how Eligo would set customers' monthly variable rates. Leadership's strategy was to charge the highest possible rate that would not produce too much customer attrition. Eligo's variable rates were essentially made up and were set with the goal of getting as much money as possible from customers. Rates were not tied to Eligo's supply costs or the wholesale cost of energy in any way. There was no set markup or consistent adder applied to Eligo's supply costs.

6. I learned from leadership that Eligo's variable rate strategy took advantage of customers' ignorance about how much Eligo paid for the energy supply it was reselling to customers. Eligo's goal was to determine how high it could push a customer's variable rate without triggering too many complaints or cancellations. I was in the room as Eligo's leadership worked on automating and optimizing their practice of squeezing variable rate customers. They were exploring using analytics to enhance the process of setting the highest possible rate. The goal was to find the balance between price and churn that led to the greatest profit, and to do so on as granular level as the company was able.

7. The business review meetings were structured as presentations to Mark Friedgan, who would provide feedback and direct the company's pricing and business strategy. Rozenblat was also routinely involved in day-to-day business decisions. I interacted with him regularly on operational issues, and he was at almost all of the business review meetings I attended.

8. In my time at Eligo I also came to understand that Eligo used its fixed rates to convince customers to switch to Eligo so that they would eventually be defaulted to a variable rate. Leadership knew that once customers were on a variable rate, Eligo could extract much higher margins as compared to its fixed rates. The strategy was that once the

customer transitioned off of their fixed rate, Eligo would gradually ratchet up the variable rate so the customer would not appreciate that the rate they were paying Eligo was getting higher and higher.

9. It was also apparent that another part of Eligo's strategy was to sign customers up and then hope that the customer would forget that Eligo was their supplier. Eligo avoided active outreach to existing customers.

10. The level of customer complaints at Eligo was unlike anything I had ever experienced before. As the person responsible for managing customer service and operations, I saw firsthand the volume of complaints Eligo received.

11. Our customer service teams were often overwhelmed. Rate-related complaints dominated the workload. It was a level of blowback I had not encountered before. Customers were upset and confused. Many had no idea they had been moved off a fixed rate or why they were paying so much.

12. Eligo's leadership knew about these complaints, but did not care. They also understood that their strategies were driving the complaints. The large volume of complaints was a major reason why I left Eligo. Another reason for my dissatisfaction with Eligo was their focus on growth over dealing fairly with their customers.

13. Eligo's leadership did not deal transparently and ethically with its customers. Friedgan, Pedotto, Rozenblat, and Sandler's methods were predatory. Leadership was aware that regulators were trying to make it harder to gouge variable rate customers, but that did not change leadership's focus on charging the highest variable rates they could.

14. I was in the room when leadership steered business strategy. I managed the fallout from angry customers. What I saw was exploitative and was designed to trick Eligo's customers.

I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge.

Executed on 17th of June, 2025, in Scottsdale, Arizona.

Elizabeth Stone

Elizabeth Stone (Jun 17, 2025 17:41 PDT)

Elizabeth Stone